

# ChinaCast Education Corporation

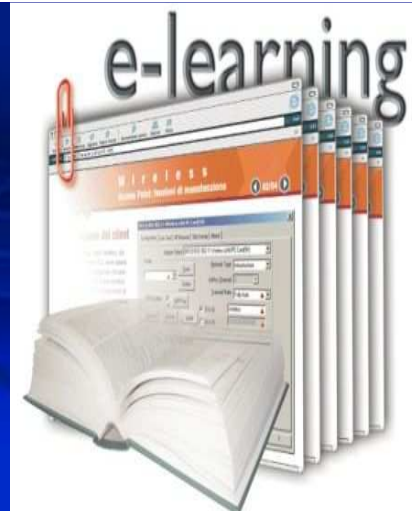
## 2007 4<sup>th</sup> Quarter and Full Year Results Presentation

March 31, 2008



[www.chinacasteducation.com](http://www.chinacasteducation.com)

CAST  
NASDAQ  
LISTED



# Safe Harbor Statement

This presentation contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates” and similar statements.

ChinaCast may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about ChinaCast’s beliefs and expectations, are forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties. Further information regarding these risks and uncertainties is included in our registration statement and other documents filed with the Securities and Exchange Commission.

ChinaCast does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

# Agenda

- **2007 Business Highlights**
- Our Goals & Strategy
- 2007 Financial Highlights
- 2008 Outlook
- Q&A Session

# 2007 Business Highlights: Achieving our Goals

- 8 Daily English Centers Opened since 7/07
- Listing of CAST on NASDAQ (29 Oct 07)
- Agreement to buy 80% of the Foreign Trade & Business College of Chongqing Normal University (12/07)
- Achieved aim of transforming ChinaCast into a full-service for-profit education company

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# Our Goal: Become a Leading Player in our Sector

## Next Steps:

- Acquire career oriented schools & Universities
- Maintain focus on acquiring best-in-class, accredited institutions matching our profitability criteria
- Develop synergies between our E-Learning platform of services and traditional learning institutions

**Future Profile:** ~75,000 students

~US\$100 Mn Revenues

**Time Frame:** 2 to 3 years

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# 2007 Income Statement Highlights

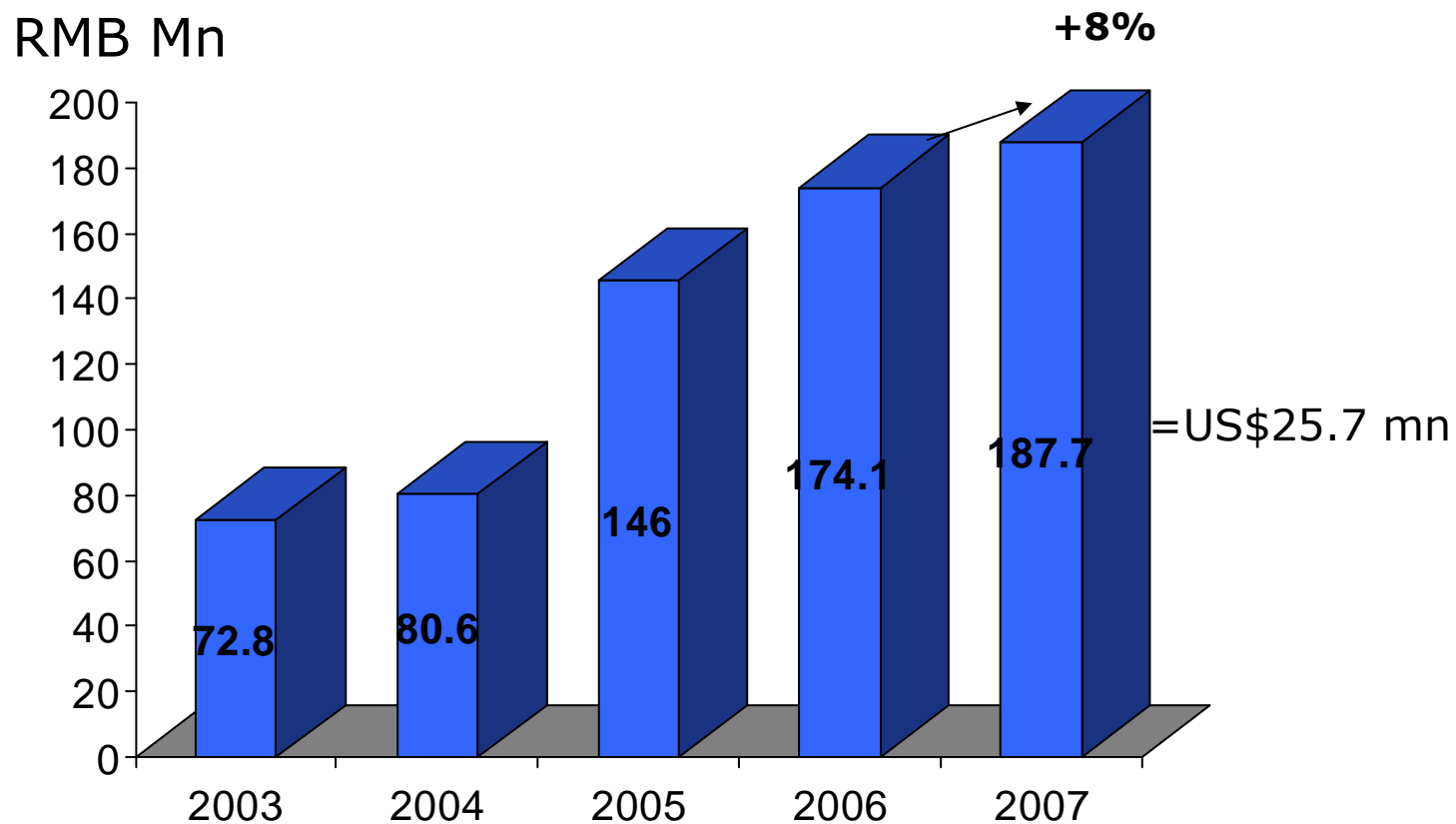
	2006 (RMB m)	2007 (RMB m)	2007 (US\$ m)	YoY Change
<b>Revenue</b>	174.1	187.7	\$25.7	+8%
Service	125.6	148.9	\$20.4	+19%
Equipment	48.5	38.8	\$5.3	-20%
<b>Gross Profit</b>	84.7	102.2	\$14	+21%
Gross Margin	49%	54%	-	+5 pts
<b>Income before provision for income taxes, earnings in equity investments and minority interest</b>	43.3	84.7	\$11.6	+95%
Margin	25%	45%	-	+20pts
<b>Net Income</b>	19.7	58.7	\$8.0	+198%
<b>Net Income (Omitting one-offs)</b> 2006 net income exclusive of an impairment loss of RMB13.3Mn; 2007 net income excluding gains from a disposal for RMB10.3 Mn.	33	48.4	\$6.6	+47%
Net Margin	11%	31%	-	+20 pts
<b>Income Per Share (Basic) *</b>	<u>1.17</u>	<u>2.21</u>	<u>\$0.30</u>	--
<b>Income Per Share (Diluted) *</b>	<u>1.00</u>	<u>2.10</u>	<u>\$0.29</u>	--

\* Weighted Average Shares Used in Computation:

1. Basic: 2006 – 16,872,309; 2007 – 26,567,240
2. Diluted: 2006 – 19,731,999; 2007 – 27,975,731

# Annual Revenues

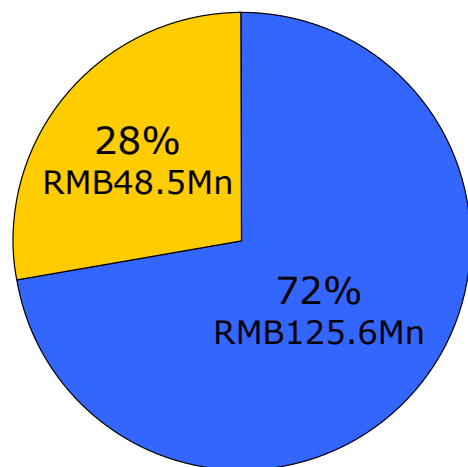
## Revenue



Exchange rate used for 2007 RMB 7.3 =US\$1

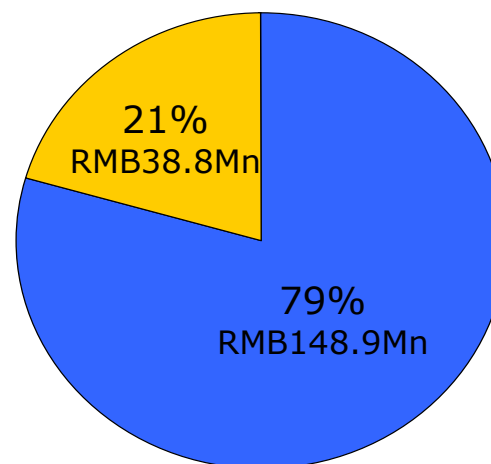
# Revenue from Services up 19% in 2007

2006  
Total Revenue  
RMB174.1 Mn



■ Services ■ Equipment

2007  
Total Revenue  
RMB 187.7 Mn  
(US\$25.7Mn)

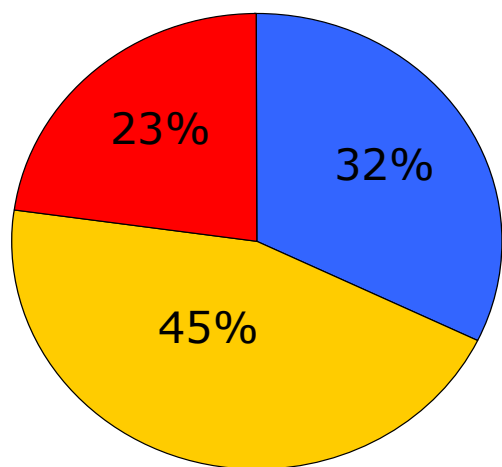


■ Services ■ Equipment

- Services Revenues up by 19% to RMB148.9 Mn (US\$20.4 Mn) in 2007
- Equipment Revenues down by 20% to RMB38.8 Mn (US\$5.3 Mn)

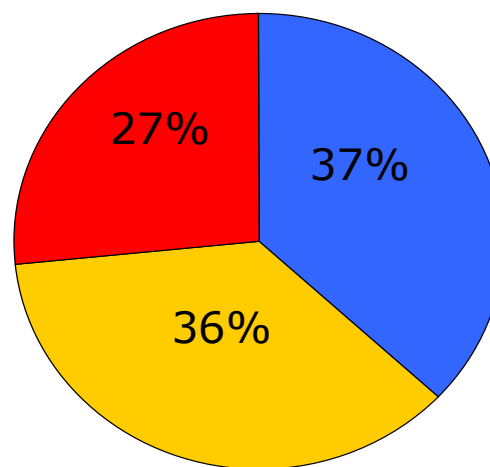
# Revenue By Segment – 2007 compared to 2006

2006  
RMB174.1 Mn



■ Post-Sec ■ K-12 ■ Voc/Career

2007  
RMB187.7 Mn  
(US\$25.7 Mn)



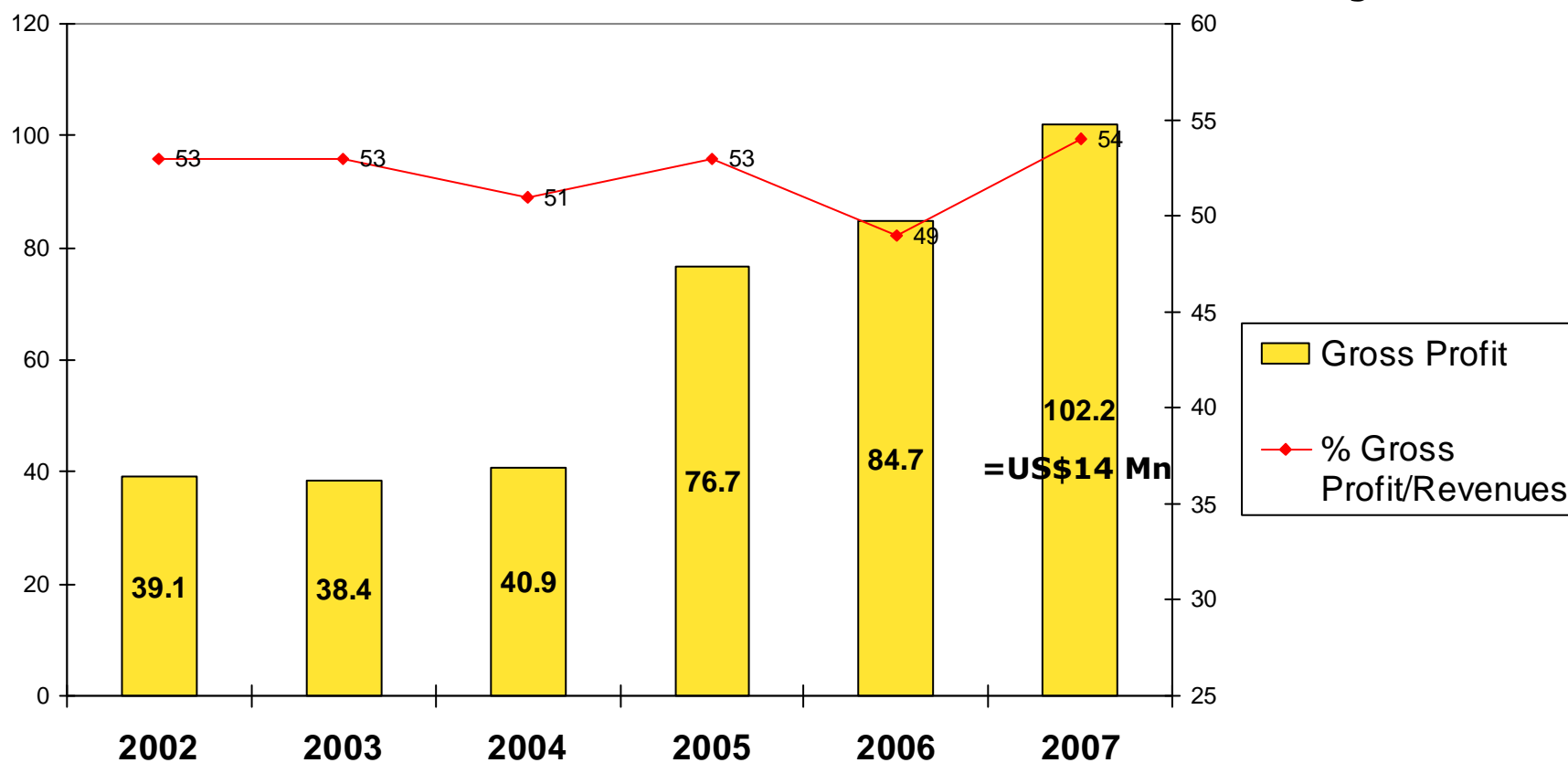
■ Post-Sec ■ K-12 ■ Voc/Career

- Post Secondary and Vocational/career segments growing more rapidly – and will continue to since our strategy is to focus on those higher margin segments.

# Gross Profit and % Margin

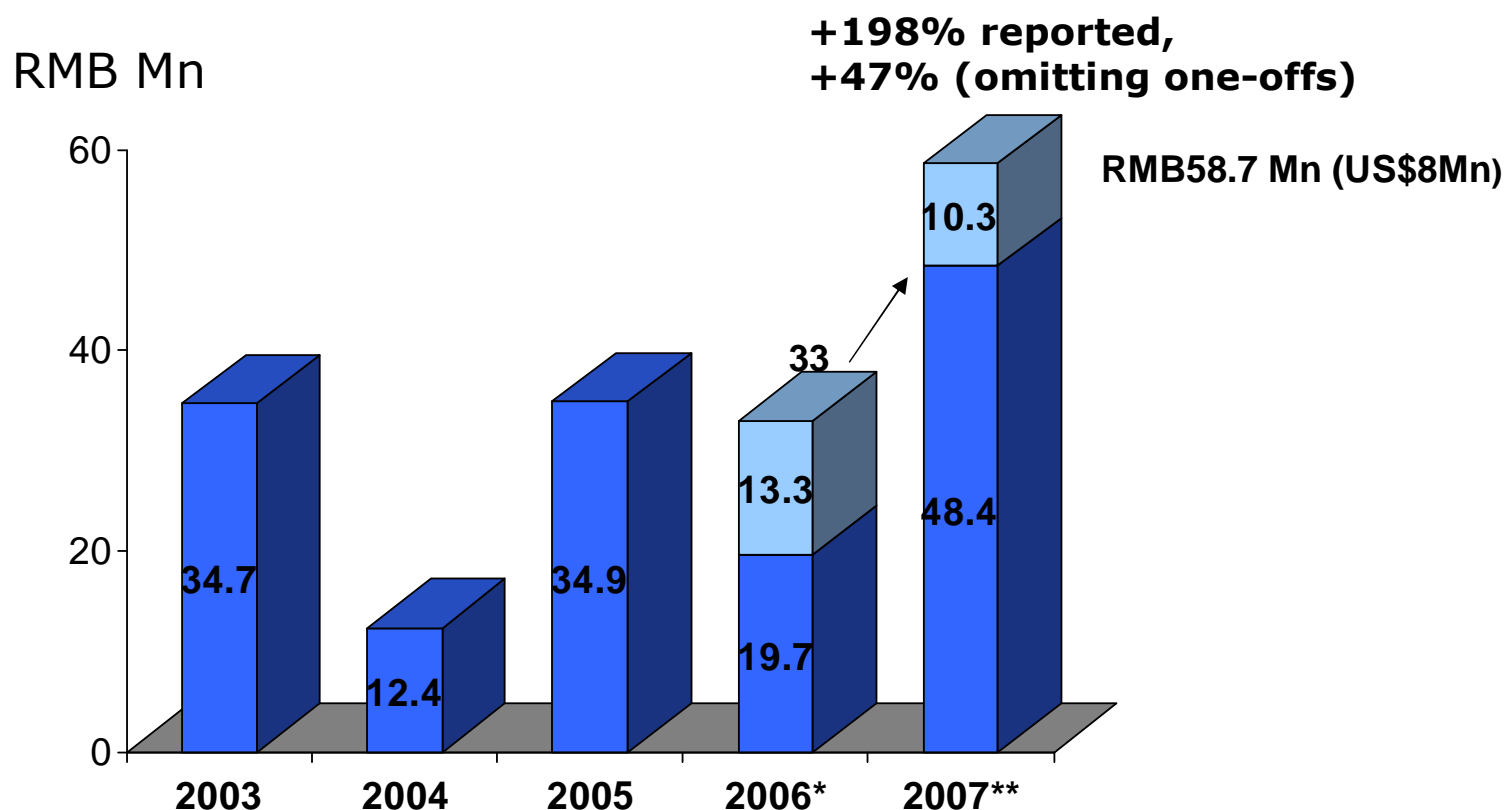
RMB Mn

% Margin



# Net Income up 198%; (omitting one-offs up 47%)

## Net Income



\*2006 Net Income would have totaled RMB33 Mn were it not for a one-off investment impairment charge of RMB13.3Mn.

\*\*2007 Net income benefited by RMB10.3 million due to one-off gains on a disposal.

# 2007 Q4 Income Statement Highlights

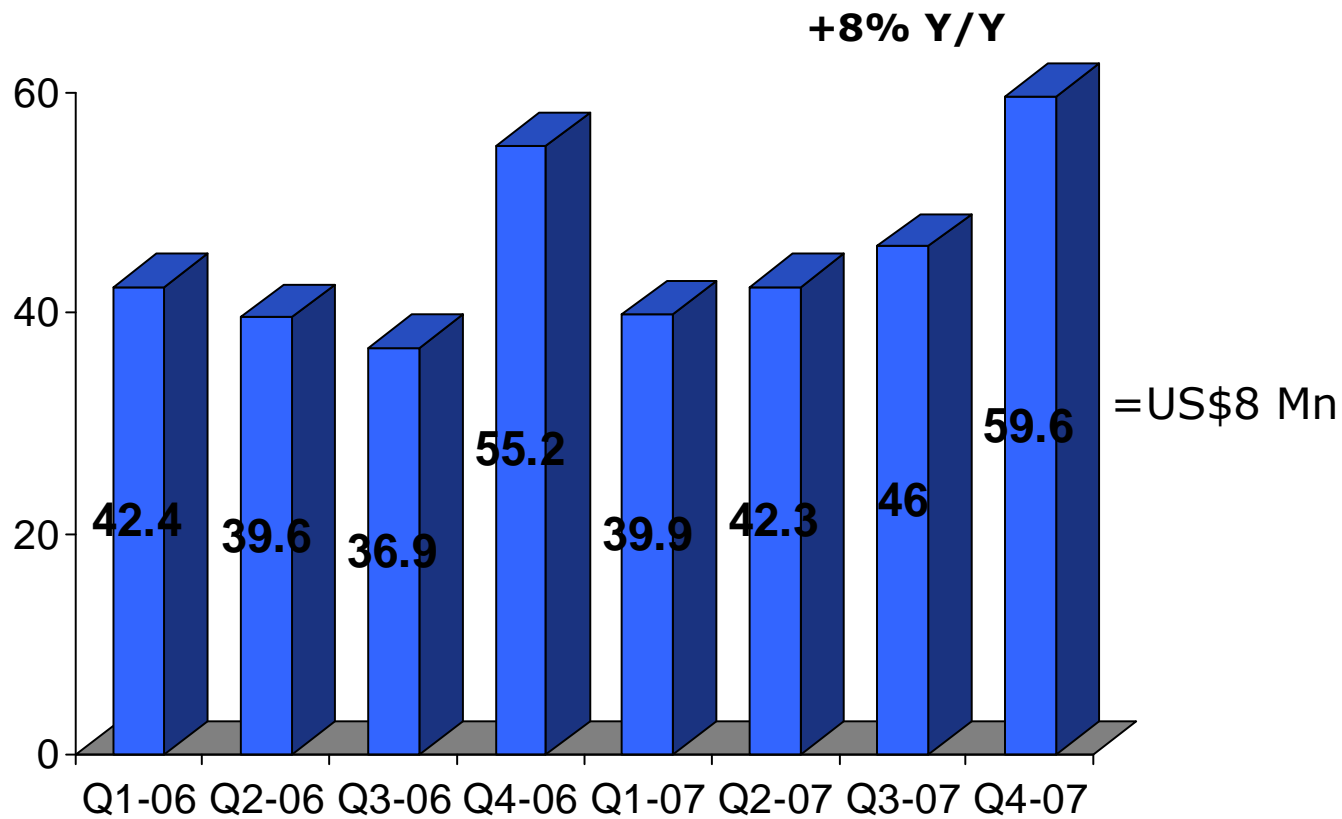
(Un-audited)

2006 and 2007 Fourth Quarter Figures are Un-Audited US GAAP	4Q 2006 (RMB m)	4Q 2007 (RMB m)	4Q 2007 (US\$ m)	YoY Change
<b>Revenue</b>	55.2	59.6	\$8.2	+8%
Service	34.1	42.9	\$5.9	+26%
Equipment	21.1	16.7	\$2.3	-21%
<b>Gross Profit</b>	23.2	29.7	\$4.1	28%
Gross Margin	42%	50%	-	+8 pts
<b>Income before provision for income taxes, earnings in equity investments, and minority interest.</b>	(3.2)	24.5	3.6	-
Margin	--	41%	-	+45 pts
<b>Net Income (Loss)</b>	(7.2)	14.8	\$2.	-
<b>Net Income (Omitting one-offs)</b> 2006-Q4 net income exclusive of an impairment loss of RMB13.3Mn; 2007-Q4 net income excluding gains from a disposal for RMB10.3 Mn.	6.1	4.5	0.6	-26%
Net Margin	11%	8%	-	-3pts
<b>Income Per Share (Basic) *</b>	(0.41)	0.54	\$0.07	-
<b>Income Per Share (Diluted) *</b>	(0.36)	0.50	\$0.07	-

# Quarterly Revenues: 8% increase year over year

(Un-audited)

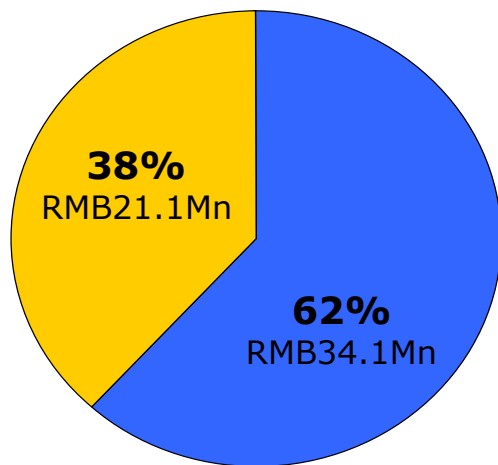
RMB Mn



Exchange rate for 2007: RMB7.3=US\$1

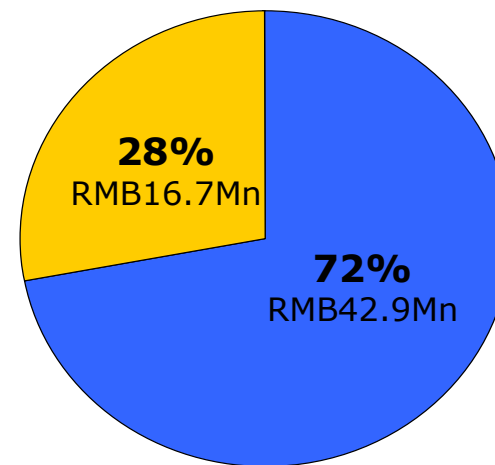
# Quarterly Revenue: Services & Equipment Segments (Un-audited)

**Q4-2006**  
Total Revenue  
RMB55.2 Mn



■ Services ■ Equipment

**Q4-2007**  
Total Revenue  
RMB59.6 Mn  
(US\$8.2Mn)



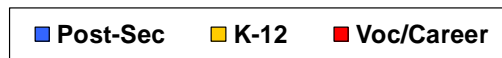
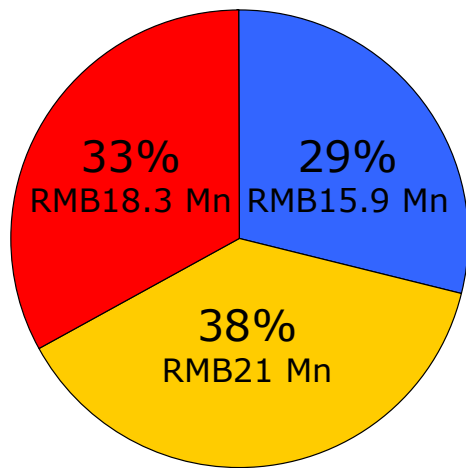
■ Services ■ Equipment

- Services Revenues up by 26% to RMB42.9 Mn (US\$5.9 Mn)
- Equipment Revenues down by 20% to RMB16.7 Mn (US\$2.3 Mn)

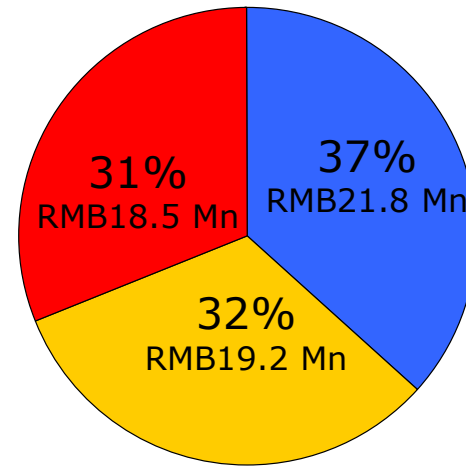
# Revenue By Segment – Quarterly comparison

(Un-audited)

Q4 2006  
RMB55.2 Mn

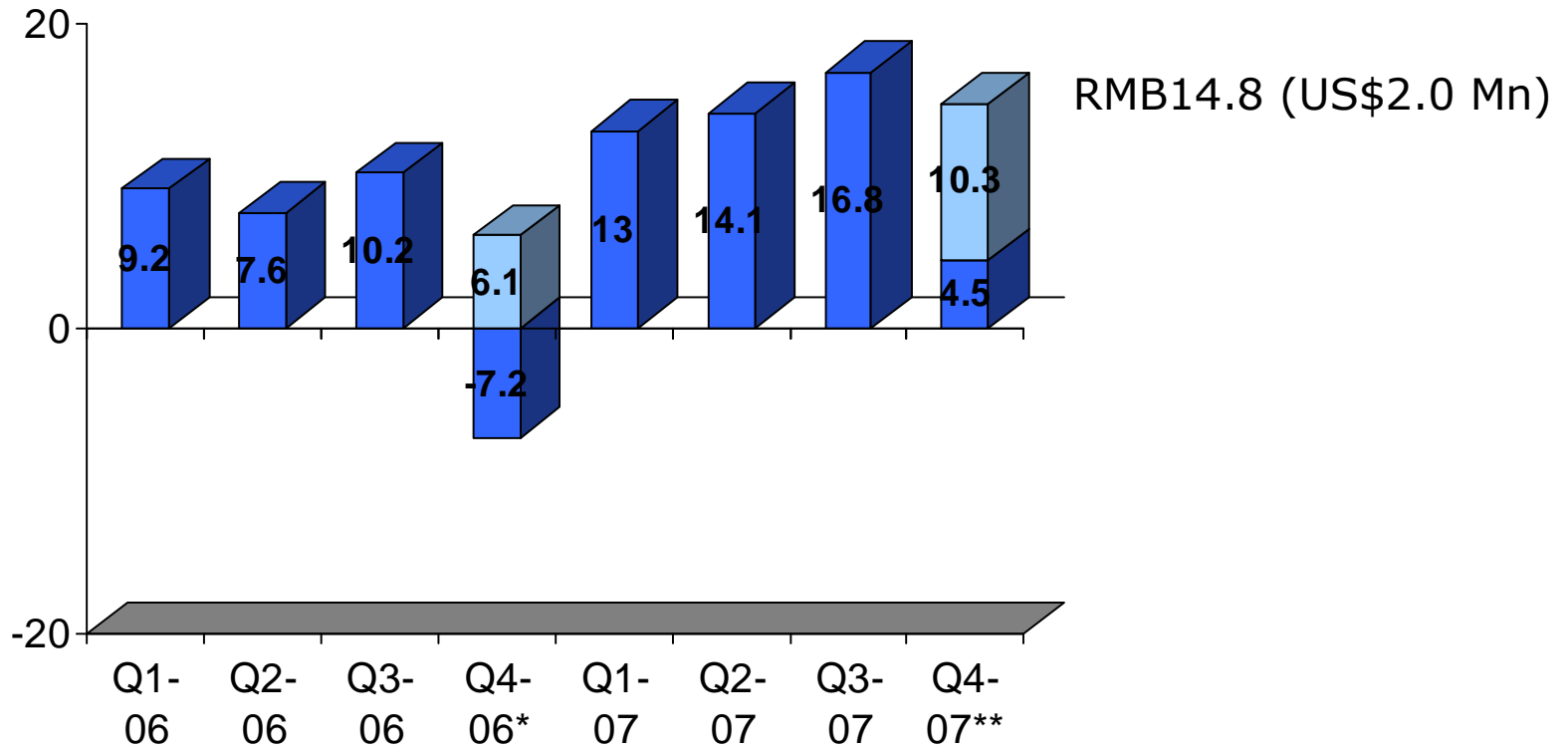


Q4 2007  
RMB59.6 Mn  
(US\$8.2 Mn)



# Quarterly Net Income (Un-audited)

RMB Mn



Exchange rate for 2007: RMB7.3=US\$1

\*2006 Net Income would have totaled RMB6.1 Mn were it not for a one-off investment impairment charge of RMB13.3Mn.

\*\*Similarly, 2007 fourth quarter net income would be RMB4.5million omitting the effects of a one-off gain on a disposal of RMB10.3 in 2007.

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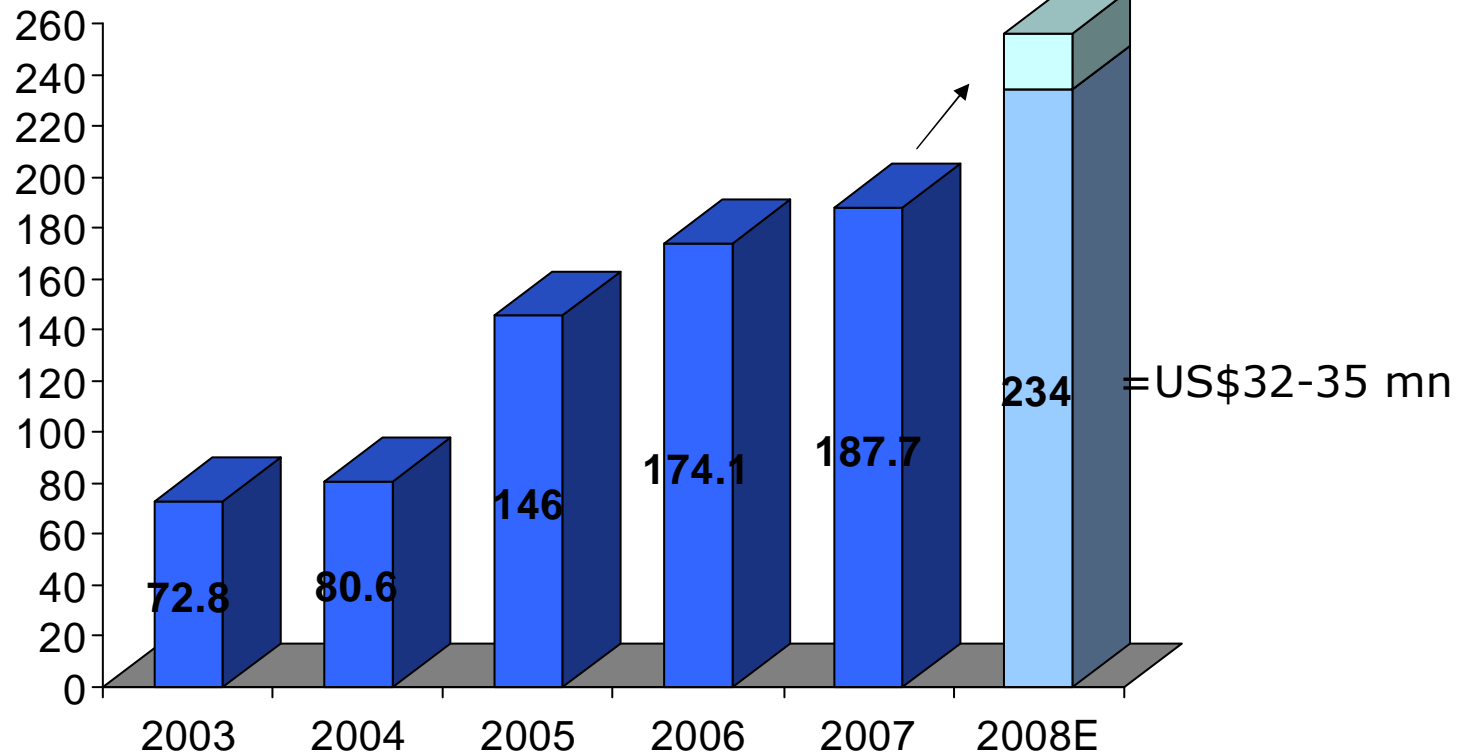
# 2008 Outlook

- E-learning growing at similar rates in 2008
- FTBC contributes to results starting Q2-08; Fall 08 enrollments likely to be up 15%;
  - Addition of Foreign degree/non-degree programs
  - Introduction of a Daily English Center on campus
- 12 new Daily English centers in 2008
  - Franchise Daily English in coming years to reach 2<sup>nd</sup> and 3<sup>rd</sup> tier cities

# 2008 Revenue Outlook: RMB233 to RMB256 Mn

## Revenue

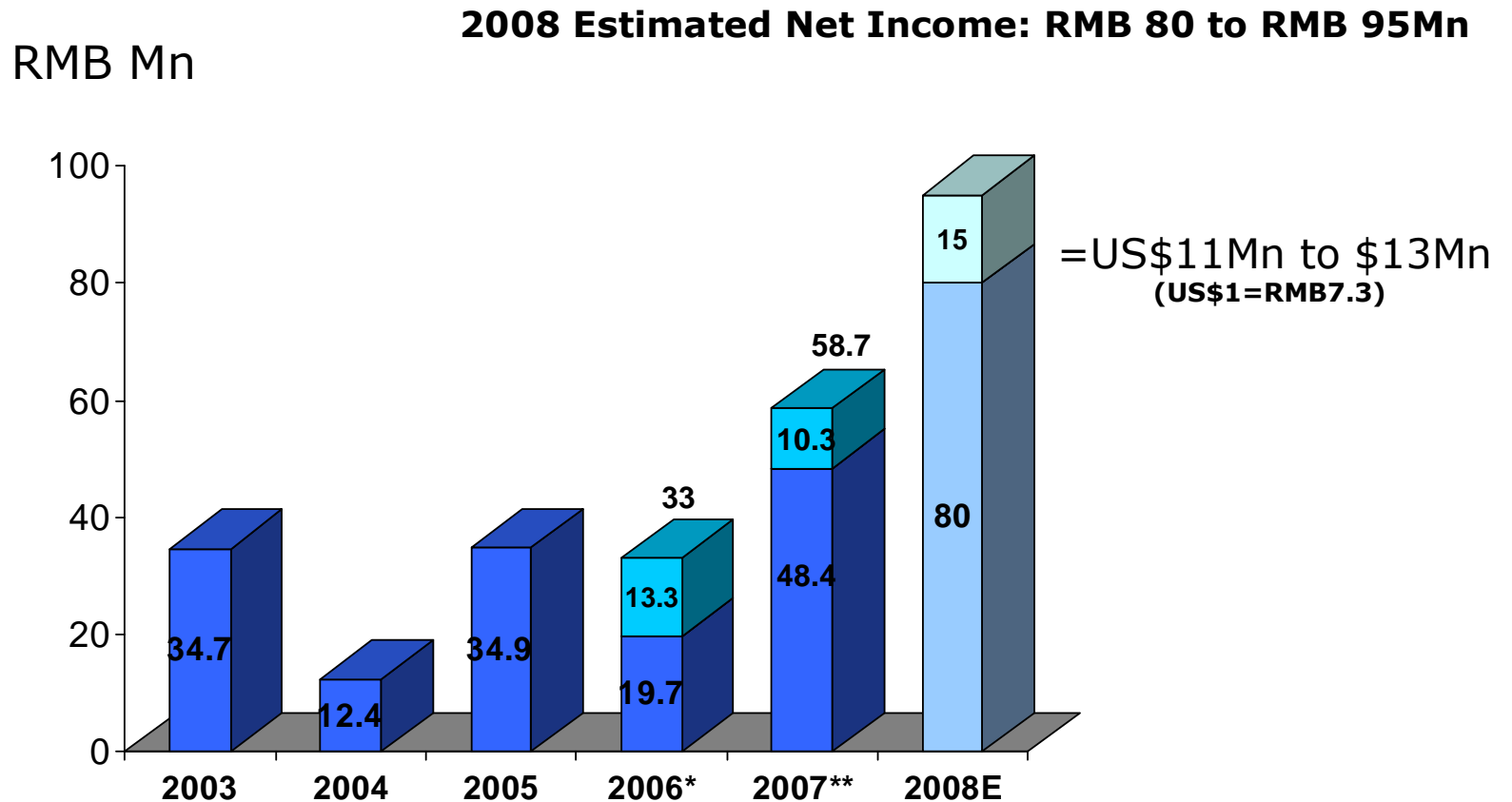
RMB Mn



Exchange rate used for 2007 and 2008 forecast: RMB  
7.3 =US\$1

# 2008 Net Income Outlook: RMB 80Mn to RMB 95 Mn

## Net Income



\*2006 Net Income would have totaled RMB33Mn were it not for a one-off investment impairment charge of RMB13.3Mn and other costs incurred as a direct result of ChinaCast's takeover of CCH.

\*\*2007 Net income benefited from a one-time gain on disposal of RMB10.3Mn.

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